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13 **UNITED STATES DISTRICT COURT**
14 **EASTERN DISTRICT OF WASHINGTON**

15 CITY OF LEAVENWORTH,

16 a Washington municipal corporation,

17 Plaintiff,

18 v.

19 PROJEKT BAYERN ASSOCIATION,

20 a Washington nonprofit corporation,

21 Defendant.

No. 2:22-cv-00174-TOR

**PLAINTIFF'S REPLY IN
SUPPORT OF ITS MOTION FOR
PRELIMINARY INJUNCTION**

Hearing Date: September 27, 2022
Time: 10:00 AM

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TABLE OF ABBREVIATIONS

Abbreviation	Description
Defendant or PBA	Defendant Projekt Bayern Association
The City	Plaintiff City of Leavenworth, Washington
Vodde	Declaration of Ethan B. Vodde in Support of Plaintiff's Reply in Support of Its Motion for Preliminary Injunction and exhibits
Voos	Declaration of Christie Voos in Support of Plaintiff's Reply in Support of Its Motion for Preliminary Injunction and exhibits

I. INTRODUCTION

In its motion for a Preliminary Injunction, Plaintiff City of Leavenworth (the “City”) showed widespread evidence of consumer confusion resulting from Defendant Projekt Bayern Association’s (“PBA”) use of the term “Leavenworth” to advertise an event that will be held in Wenatchee, Washington. In its Response PBA contends “[t]here is [] zero risk of consumer confusion,” arguing that patrons located in Wenatchee will know they aren’t in Leavenworth. But the consumer confusion inquiry doesn’t begin when a patron is already seated in a festival tent, holding a beer stein. PBA utterly ignores the Ninth Circuit doctrine of initial interest confusion. PBA ignores the effect of its deceptive use of “Leavenworth” on consumers in the early stages of a consumer’s decision on whether to celebrate Oktoberfest, where to go, and how to buy tickets; the intent of the City’s motion is to prevent confusion of these prospective festival-goers at the point of their initial interest.

PBA asserts that because it has registered the “Leavenworth Oktoberfest” mark, the City must prove the invalidity of the mark at this preliminary injunction stage. Invalidity of the PBA registration will be established in this case, but its validity is not germane to the issues of consumer confusion raised by the City’s motion. That is, even a validly registered mark cannot be used deceptively. Thus, just as the owner of a valid mark “Valley Organic” would be enjoined from deceptively using that mark to sell non-organic foods, PBA cannot use “Leavenworth” to deceptively advertise and promote an Oktoberfest event it intends to hold in Wenatchee. For that reason, the validity or invalidity of PBA’s registration is not relevant to the City’s request for injunctive relief.

The City’s motion showed the impact of PBA’s false statements in the advertising

1 of its Wenatchee Event; PBA's weak assertion that those falsehoods "appeared true when
 2 made" is simply not credible. Moreover, untrue statements continue to appear on PBA's
 3 social media promoting its own event; unless enjoined PBA will not halt the stream of
 4 false information.

5 Lastly, PBA asserts that the City delayed its pursuit of injunctive relief, but in fact
 6 the City sought an expedited hearing date, and PBA's counsel opposed.

7 II. FURTHER FACTUAL BACKGROUND

8 The City has continuously and consistently used LEAVENWORTH
 9 OKTOBERFEST in releases to the public to promote the Oktoberfest occurring in
 10 Leavenworth, Washington. Voos, ¶ 3, Ex. A. As early as April 27, 2022, PBA "was
 11 notified of [the City's] use of an advertisement that included 'Leavenworth Oktoberfest.'" ECF No. 10-8. Yet PBA made and continues to make statements that the City was not
 12 and is not hosting an Oktoberfest in 2022. ECF No. 11 at ¶ 11. Now, consumers are
 13 purchasing tickets for PBA's Wenatchee Event mistakenly believing that event to be the
 14 Oktoberfest celebration in Leavenworth, Washington. *See* Voos, ¶ 4, Ex. B.

15 An "Oktoberfest" is "a traditional festival held each October in Munich, Germany"
 16 or "any similar festival held usually in Autumn." Vodde, ¶ 6, Ex. D, 32. PBA has publicly
 17 claimed no rights to use of "OKTOBERFEST" in and of itself. *See* Vodde, ¶ 6, Ex. E, 39.
 18 PBA has conceded "LEAVENWORTH OKTOBERFEST" is primarily geographically
 19 descriptive. *See id.* PBA additionally states: "Projekt Bayern's public statements that its
 20 LEAVENWORTH OKTOBERFEST would take place in Wenatchee during 2022 *is*
 21 *different from saying that there would be no Oktoberfest in Leavenworth.*" ECF No. 17 at
 22 7, ¶ 27 (emphasis added). But PBA has stated: "There is no Oktoberfest in leavenworth.
 23

1 I Repeat there is no Oktoberfest in Leavenworth this year.” ECF No. 11-5; *see also*
 2 Vodde, ¶ 5, Ex. C.

3 PBA agreed to delete the public post of this statement upon request by the City.
 4 *See* Vodde, ¶ 4. In connection with this retraction, PBA did not agree to an expedited
 5 hearing date for this motion. *See id.* at ¶¶ 2-4. But despite removing one false post, PBA
 6 continues to make (and maintain on its social media) other public posts concerning the
 7 City and the Oktoberfest event in Leavenworth that are misleading to the public. *See id.*
 8 at ¶ 5. Consumers, the press, and the general public are confused as to the geographic
 9 location of the two Oktoberfests. *See* ECF No. 11 at ¶ 14; Voos, ¶ 4, Ex. B; Vodde, ¶ 5,
 10 Ex. C.

11 III. LAW AND ARGUMENT

12 A. PBA’s trademark registration does not authorize PBA’s deceptive use of 13 “Leavenworth”.

14 1. Trademark registration does not shield a user from liability for 15 deceptive use, nor forbid a court from enjoining such use.

16 PBA argues that because it obtained a federal trademark registration for
 17 “Leavenworth Oktoberfest” (based on a claim of past use of the mark to promote an event
 18 in Leavenworth), it now has carte blanche to use the mark in a deceptively geographically
 19 misdescriptive manner: to promote its event in Wenatchee. *See* ECF No. 15 at 5. Marks
 20 that are deceptively geographically misdescriptive, however, are never registrable and
 21 may not acquire secondary meaning (*see In re Wada*, 194 F.3d 1297, 1301 (Fed. Cir.
 22 1999)), thus registration provides no shield from liability for false designation where
 23 deception is shown.

1 PBA argues that a movant for injunctive relief must overcome the presumption of
2 a trademark registrant's "registration, ownership or right to use the mark," relying on
3 *Zamfir v. Casperlabs, LLC*, 528 F. Supp. 3d 1136, 1146 (S.D. Cal. Mar. 26, 2021). But in
4 fact, the *Zamfir* decision implies that the court's reasoning would change if, as here, the
5 movant had shown that the challenged use was "deceptive or misleading; that is ...
6 wrongful in some way." *Id.* at 1148. This is consistent with decades-long precedent in
7 enforcement of the Federal Trade Commission Act. *See, e.g., FTC v. Winsted Hosiery*
8 *Co.*, 258 U.S. 483, 493-94 (1922) (mark that had developed secondary meaning still not
9 protectable if its use deceives the public); *FTC v. Kay*, 35 F.2d 160, 162 (7th Cir. 1929)
10 ("Assuming that respondent has registered his trade-mark as above indicated, the test of
11 his methods of competition is, not whether a trade-mark may have been registered, but
12 whether his methods falls within the condemnation of the Federal Trade Commission
13 Act," namely unfair competition due to deceptive use of "Kay-Radium" where the goods
14 did not contain radium); *see also, K-Swiss, Inc. v. Swiss Army Brands, Inc.*, 58 U.S.P.Q.2d
15 1540, 1543 (TTAB 2001) ("if a registrant, through its own actions, causes its mark to
16 become geographically deceptive subsequent to the issuance of the registration" the mark
17 cannot benefit from the incontestability doctrine because the mark owner is deceiving the
18 public).

19 Contrary to PBA's assertion, *Zamfir* does not support the proposition that every
20 movant for preliminary relief must invalidate a trademark registration to show likelihood
21 of success; the decision explicitly states, "the effect of a defendant's registered trademark,
22 and its evidentiary significance, in a false designation case is unclear from existing case
23 law." *Zamfir*, 528 F. Supp. 3d. at 1146-47. *Zamfir* holds only that the movant in that case

1 did not establish likelihood of success on the merits under the facts shown. *See id.* at 1145.

2 Thus, the City has not asked this Court to examine the invalidity of the trademark
3 registration at this stage, because the Court does not need to undertake that examination.
4 PBA's use of "Leavenworth" in association with "Oktoberfest" is deceptively
5 geographically misdescriptive, and deceptively geographically misdescriptive marks are
6 not entitled to registration. *See, In re Wada*, 194 F.3d at 1301. PBA concedes "the
7 geographic source of [its] services is Wenatchee." *See*, ECF No. 15 at 7. But by the
8 circumstances of its registration under section 2(f), PBA cannot deny that the
9 "Leavenworth Oktoberfest" trademark is inherently geographically descriptive of
10 Leavenworth. *See, Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1577 (Fed.
11 Cir. 1988) (reliance on 2(f) acts as a concession the mark is merely descriptive). PBA's
12 own conduct has caused any presumption it may have had in its registration to be
13 irrelevant for this proceeding. *See, K-Swiss*, 58 U.S.P.Q.2d at 1543.

14 If this Court finds that the City is likely to succeed on the merits of its claim, namely
15 that PBA's use of "Leavenworth Oktoberfest" deceives consumers into believing PBA's
16 Oktoberfest event is connected with the City, PBA's trademark registration is irrelevant
17 as no amount of evidence can cure a primarily geographically deceptively misdescriptive
18 mark into one that is registrable. *See, In re Wada*, 194 F.3d at 1301 ("primarily
19 geographically deceptively misdescriptive marks [are] precluded from registration under
20 all circumstances, even with a showing of secondary meaning"). And the City is likely to
21 succeed. *See* ECF No. 9 at 4-9.

22 **2. PBA has not disputed the significant consumer confusion caused**
23 **by its deceptive use**

1 The City's motion catalogs the widespread confusion among the public created by
 2 PBA's deceptive use of "Leavenworth" to promote its Wenatchee Event. The confusion
 3 is ongoing: since the filing of the motion the City has fielded complaints from people who
 4 bought tickets to the PBA event only to learn that it is not taking place in Leavenworth's
 5 Bavarian-themed environment, but at the Toyota Town Center in Wenatchee. *See, e.g.,*
 6 Voos, ¶ 4, Ex. B; ECF No. 12 at ¶ 13; ECF No. 11 at ¶¶ 11-14. But nowhere in its
 7 Response does PBA refute the substantial evidence of actual confusion.
 8

9 **B. Consumers are confused, and their initial interest in Leavenworth is diverted**
 10 **away by PBA's deceptive use.**

11 **1. PBA ignores the Ninth Circuit Doctrine of initial interest**
 12 **confusion**

13 A primary concern of the Lanham Act is protecting consumers from confusion.
 14 PBA pretends that the confusion inquiry does not begin until a patron has arrived at the
 15 Wenatchee Event, advancing this remarkable argument: "[t]here is [] zero risk of
 16 consumer confusion. Every patron of LEAVENWORTH OKTOBERFEST will know
 17 they are in Wenatchee, and that the geographic source of the services is Wenatchee." ECF
 18 No. 15 at 9-10. The multiple instances of actual confusion belie this claim of "zero risk."
 19 Moreover, under Ninth Circuit precedent, no "actual sale" needs to be completed to show
 20 likelihood of confusion; instead, misuse of a mark "to capture initial consumer attention"
 21 is actionable. *See, Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394,
 22 1405 (9th Cir. 1997); *see also, Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp.*, 174
 23

1 F.3d 1036, 1063 (9th Cir. 1999) (“diversion of consumers’ initial interest is a form of
2 confusion against which the Lanham Act protects”).

3 The doctrine of initial interest confusion recognizes the obvious, that once a patron
4 has arrived at the Wenatchee Event, “[c]ustomers are not confused in the narrow sense:
5 they are fully aware that they are purchasing from [PBA’s Wenatchee Event] and they
6 have no reason to believe that” they are in Leavenworth. *See, Brookfield Commc’ns*, 174
7 F.3d at 1064. “Nevertheless, the fact that there is only initial consumer confusion does
8 not alter the fact that [PBA’s use of “Leavenworth” to promote its Wenatchee Event]
9 would be misappropriating [Leavenworth’s] acquired goodwill.” *See id.* The confusion
10 engendered by PBA’s deceptive use of “Leavenworth” wrongly captures goodwill
11 accruing to Leavenworth by virtue of its Old World Bavarian theme and its long history
12 of hosting the Leavenworth Oktoberfest.

13 PBA’s effort to wave away the substantial likelihood of initial interest confusion,
14 and its assertion of “zero risk,” is inconsistent with Ninth Circuit precedent that protects
15 consumers from confusion at the point of their initial interest.

16 **2. Likelihood of confusion at Wenatchee Event**

17 PBA cites *In re Les Halles De Paris J.V.*, 334 F.3d 1371, 1374 (Fed. Cir. 2003) to
18 argue that customers arriving at a location will not be confused as to the situs of the
19 services, concluding that therefore consumer confusion cannot exist. ECF No. 15 at 10.
20 But consumer confusion can arise even under those circumstances. For example, even
21 festival-goers who know PBA’s event will take place in Wenatchee are likely to believe
22 that the City of Leavenworth has approved or endorsed the event. They are likely to
23 wrongly conclude that the PBA activities in Wenatchee are a part of or associated with

1 activities sponsored by the City, in Leavenworth, 26 miles away. The *Les Halles De Paris*
2 opinion itself cautions against deceptive geographic misdescription: the Federal Circuit,
3 remanding to the Trademark Trial and Appeal Board, called for consideration of the
4 association between services and place, stating “the PTO might find a services-place
5 association if the record shows that patrons, though sitting in New York, would believe
6 the food served by the restaurant was imported from Paris, or that the chefs in New York
7 received specialized training in the region of Paris, or that the New York menu is identical
8 to a known Parisian menu, or some other heightened association between the services and
9 the relevant place.” *In re Les Halles De Paris J.V.*, 334 F.3d at 1374.

10 This illustrates that the Court should consider the strong association in the minds
11 of consumers between the services (“Leavenworth Oktoberfest”) and the place (City of
12 Leavenworth). PBA does not dispute, and in fact PBA’s own evidence establishes, that
13 Leavenworth is widely known for its “Old World Bavarian theme.” *See* ECF No. 17 at
14 ¶ 2; ECF No. 16 at ¶ 3. PBA even asserts it was “formed to promote” the City’s theme.
15 *See id.*; *cf.* *Vodde*, ¶¶ 7-8. There is certainly a services-place association between the
16 festival services that have been offered in Leavenworth and the City of Leavenworth
17 itself. As set forth above, by the terms of its trademark registration PBA cannot deny that
18 “Leavenworth” describes the City of Leavenworth. *See Yamaha Int’l Corp.*, 840 F.2d at
19 1577. PBA cannot overcome the likelihood of confusion even among patrons who have
20 actually traveled to Wenatchee and entered the Wenatchee Event.

21 This is a case of both traditional confusion and initial interest confusion.
22 Consumers are likely to be confused, and indeed are actually confused, as to association.
23

1 **C. PBA’s continuing statements deceive the public.**

2 PBA’s argument that stating “There is no Oktoberfest in Leavenworth” was true
 3 when made is hardly credible. Citing hearsay from a third-party “that the Chamber of
 4 Commerce was failing to organize a fall festival,” PBA attempts to justify its falsehood,
 5 all the while admitting that it participated in the RFP process for an Oktoberfest in
 6 Leavenworth and sent cease and desist letters concerning the Chamber’s use of
 7 “BAVARIAFEST” and the City’s use of “LEAVENWORTH OKTOBERFEST.” *See*
 8 ECF No. 17 at ¶¶ 16, 17, 24; ECF No. 10-8; ECF No. 12 at 19-20; *cf.* ECF No. 15 at 11
 9 (interpreting the sworn statement the “Chamber of Commerce was failing to organize” to
 10 be “nothing was happening with the City’s event”). And PBA tries to distinguish between
 11 an “Oktoberfest” and a “Fall Event.” *See* ECF No. 15 at 11. Given the definition of
 12 “Oktoberfest,” this further strains credulity. *See* Vodde, ¶ 6, Ex. D, 32.

13 Notable is that, despite acknowledging its awareness of the City’s July 11, 2022
 14 announcement, PBA only removed the false post after the City requested it, and even then
 15 only during a September negotiation for a hearing date relative to the present motion. *See*
 16 ECF No. 15 at 11-12; *see also* Vodde, ¶¶ 2-4, Exs. A-B. And while PBA claims, “the City
 17 is free to publicize its event as long as it does not infringe Projekt Bayern’s intellectual
 18 property rights,” PBA previously sent a cease and desist letter to the Chamber of
 19 Commerce concerning the Chamber’s intended use of “BAVARIAFEST,” claiming such
 20 use was “illegal under the Lanham Act” and demanding the Chamber “discontinue [its]
 21 use of Bavariafest or any name(s) that is identical to and/or confusingly similar to Projekt
 22 Bayern’s registered trademark.” *See* ECF No. 12 at 19-20. PBA has a broad view of its
 23 rights, even claiming exclusive use of the City’s actual name. Enjoining PBA from use of

1 “Leavenworth” is appropriate, given PBA’s false statements, past conduct, and ongoing
2 communications to the public. *See, e.g.,* Vodde, ¶ 5, Ex. C.

3 **D. The City did not delay its request for injunctive relief**

4 On July 26, 2022, the City sent PBA a letter demanding PBA abandon its trademark
5 registration in LEAVENWORTH OKTOBERFEST and cease and desist from using
6 “Leavenworth” in its marketing activities that were not associated with the City of
7 Leavenworth. Vodde, ¶ 9, Ex. H. The City’s complaint explicitly requests relief in the
8 form of a preliminary injunction. ECF No. 1 at 23. The City informed PBA of its
9 impending motion for preliminary injunction and suggested an expedited hearing date,
10 but PBA demurred. Vodde, ¶¶ 2-4, Exs. A-B. The City has not delayed in its request for
11 injunctive relief.

12 **IV. CONCLUSION**

13 An order enjoining PBA from using “Leavenworth” to promote activities not
14 occurring in Leavenworth is necessary to protect the public and the City from ongoing
15 confusion over the geographic location of PBA’s event. PBA should additionally be
16 enjoined from any advertising or promotional communications, including without
17 limitation social media postings, that state or imply that no Oktoberfest activities will
18 occur in Leavenworth, or that misrepresent the nature of such activities.

19 Respectfully submitted, this 16th day of September, 2022.

20 /s/ Robert J. Carlson

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CERTIFICATE OF SERVICE

I hereby certify that on September 16, 2022, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF System which in turn automatically generated a Notice of Electronic Filing (NEF) to all parties in the case who are registered users of the CM/ECF system. The NEF for the foregoing specifically identifies recipients of electronic notice.

/s/ Robert J. Carlson

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